

REMARKS

This responds to the Office Action mailed on January 17, 2007.

Claims 8-12, 18, 27, 34 and 59 are amended, no claims are canceled, and no claims are added; as a result, claims 1-20, 26-31, 34-53, 59-78 are now pending in this application.

§101 Rejection of the Claims

Claims 34-35, 37-52, 59-60 and 62-77 were rejected under 35 U.S.C. § 101 for not providing a practical application that produces a useful result.

Referring to claims 34-35, 37-40, 59-60 and 62-65, the Office Action cites MPEP §2107 that requires the utility of an invention to be (i) specific, (ii) substantial and (iii) credible. However, the Office Action did not clarify which one of the above three requirements the claims 34-35, 37-40, 59-60 and 62-65 are lacking. As an example, a practical application of Claim 34 is to “automatically publish at least one of a proxy bid information and a reserve price if a high proxy bid is less than the reserve price, the proxy bid information and the reserve price being associated with a listing for an item during an auction price-setting process.” One useful, concrete and tangible result¹ of the claimed machine-readable medium is “publishing.” Further, a machine-readable medium encoded with a computer program of Claim 34 is an article of manufacture, indistinguishable from any other part which may be coupled to a computer to control its functioning. Machine-executable computer programs comprise digital signals which are derived from computer-readable media for controlling the operation of a computer. The Applicants respectfully submit that there is no question that such subject matter is an article of manufacture. The Board majority has stated this to be true. *See Beauregard*, Appeal No. 93-0378 at 5 (PTO Bd. Pat. App. & Int., 1993).

The preambles of claims 34 and 59 were amended and now read respectively “machine-readable medium having instructions to cause a machine to perform a method including:” and the preamble of claim 59 now reads “[a] method including:” The amendments are being made because the language of the preambles was not necessary to Claims 34 and 59, the amendment

¹ As required in *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F. 3d 1368 at 1373, 47 USPQ2d 1595 at 1601-02 (Fed. Cir. 1998).

does not limit the scope of Claims 34 and 59, and no admission is made that Claims 34 and 59 were not previously commensurate with the scope of the preambles.

Referring to claims 41-52 and 66-77, the Office Action again cites MPEP §2107 without specifying why the claims are not (i) specific, (ii) substantial or (iii) credible. Further, the Office Action contends that claims 41-52 and 66-77 “merely set forth the facilitation of an auction process”. Pursuant to MPEP 2106 II A, “Office personnel have the burden to establish a prima facie case that the claimed invention as a whole is directed to solely an abstract idea or to manipulation of abstract ideas or does not produce a useful result. Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under 35 U.S.C. 101.”

Applicants respectfully point out that the “facilitating and exchange of proxy information of a buyer and reserve price information of a seller” is a practical application, and that this practical application provides no less utility than the “automatic notification” of Claim 78 identified in the Office Action as realization of utility and a useful result.

§102 Rejection of the Claims

Claims 1-20, 26-31, 34-53 and 59-78 were rejected under 35 U.S.C. § 102(b) for anticipation by Auction Arms (Hereinafter “Arms”).

Referring to Claims 1-20, 26-31, 34-53 and 59-78, to anticipate a claim, the reference must teach every element of the claim. “A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987.)

It is not enough, however, that the prior art reference discloses all the claimed elements in isolation. Rather, “[a]nticipation requires the presence in a single prior reference disclosure of each and every element of the claimed invention, *arranged as in the claim.*” *Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 221 USPQ 481, 485 (Fed. Cir. 1984) (citing *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 220 USPQ 193 (Fed.

Cir. 1983)) (emphasis added). Applicants respectfully submit that the Office Action has not made out a *prima facie* case of anticipation by Arms.

Independent Claim 1 requires:

“processor coupled to a memory through a bus; and an auction price-setting process executed from the memory by the processor to cause the processor to automatically publish at least one of a proxy bid information and a reserve price if a high proxy bid is less than the reserve price, the proxy bid information and the reserve price being associated with a listing for an item during an auction price-setting process.”

The Office Action points to the following text in Arms:

Auction Types at Auction Arms

Reserve Style Auction

We actually run a **Modified Reserve Style** auction. We differentiate from a traditional Reserve Style auction in that our proxy bidding doesn't kick in until after the Seller's reserve price has been met. All bids placed lower than the Seller's reserve price are in the open and visible for everyone to see. After the Seller's reserve has been met, proxy bidding kicks in and Max bids are kept hidden while proxy bids placed by the computer and bids beaten by a proxy bid are displayed.

In contrast to Claim 1 Arms, page 7, “Reserve Style Auction” recites:

“We differentiate from a traditional Reserve Style auction in that our proxy bidding doesn't kick in until after the Seller's reserve price has been met.”

Applicants respectfully disagree with the Office Action's contention that Arms anticipates Claim 1 because Arms describes an auction system where proxy bidding starts only after the reserve price is met. In short, the auction system of Arms would never encounter a situation where a high proxy bid is less than the reserve price, as proxy bidding is not enabled until the Seller's reserve price has been met. Accordingly, the determination as to whether or not to publish at least one of proxy bid for information or reserve price information, in the manner required by Claim 1, is simply not made by the auction system described by Arms.

Because Arms does not describe every element of Claim 1, either expressly or inherently, in a single prior art reference², Arms does not anticipate Claim 1.

² As required by Verdegaal Bros

Claims 2-7 are dependent of independent Claim 1, and include all of the limitations of Claim 1 from which they depend, and more. For at least the reasons stated above with respect to independent Claims 1, Arms fails to disclose the limitations of claims 2-7 and accordingly claims 2-7 are not anticipated by Arms.

Independent Claim 8 was amended to recite the language similar to Independent Claim 1. Independent Claim 8 as amended requires:

“a processor coupled to a memory through a bus; and an auction price-setting process executed from the memory by the processor to cause the processor to facilitate an exchange of at least one proxy bid information of a buyer and reserve price information of a seller if the proxy bid is less than the reserve price, the proxy bid information and the reserve price information being associated with a listing utilizing the auction price-setting process.”

In contrast to Claim 8, Arms in “Reserve Style Auctions” recites:

Auction Types at Auction Arms

Reserve Style Auction

We actually run a **Modified Reserve Style** auction. We differentiate from a traditional Reserve Style auction in that our proxy bidding doesn't kick in until after the Seller's reserve price has been met. All bids placed lower than the Seller's reserve price are in the open and visible for everyone to see. After the Seller's reserve has been met, proxy bidding kicks in and Max bids are kept hidden while proxy bids placed by the computer and bids beaten by a proxy bid are displayed.

Applicants respectfully submit that “Reserve Style Auction” does not disclose the limitations of Claim 8 because “Reserves Style Auction” refers to “[a]ll bids placed lower than the Seller's reserve price” without respect to whether or not the current proxy bid is greater than the reserve price. On the other hand, Claim 8 recites “an exchange of at least one of a proxy bid information if a high proxy is less than the reserve price.” Because Arms does not describe every element of Claim 8, either expressly or inherently, in a single prior art reference³, Arms

³ As required by Verdegaal Bros

does not anticipate Claim 8.

Claims 9-20 either directly or indirectly are dependent of independent Claim 8, and include all of the limitations of Claim 8 from which they depend, and more. For at least the reasons stated above with respect to independent Claims 8, Arms fails to disclose the respective limitations of claims 9-20 and accordingly claims 9-20 are not anticipated by Arms.

The Office Action contends that Claims 26-31 contain limitations similar to limitations of Claims 1-20 and proceeds to reject Claims 26-31 under the same rationale as set forth in Claims 1-20. Claims 1-20 either directly or indirectly are dependent of independent Claims 1 and 8, and include all of the limitations of Claims 1 and 8 from which they depend, and more. For at least the reasons stated above with respect to independent Claims 1 and 8, Arms fails to disclose the respective limitations of claims 1-20 and accordingly Claims 1-20 are not anticipated by Arms. Applicants respectfully submit that because Claims 1-20 are not anticipated by Arms, the Office Action rejection of Claims 26-31 under the same rationale as set forth in Claims 1-20 is without merit.

The Office Action contends that Claims 34-53 contain limitations similar to limitations of Claims 1-20 and proceeds to reject Claims 34-53 under the same rationale as set forth in Claims 1-20. Claims 1-20 either directly or indirectly are dependent of independent Claims 1 and 8, and include all of the limitations of Claims 1 and 8 from which they depend, and more. For at least the reasons stated above with respect to independent Claims 1 and 8, Arms fails to disclose the respective limitations of claims 1-20 and accordingly Claims 1-20 are not anticipated by Arms. Applicants respectfully submit that because Claims 1-20 are not anticipated by Arms, the Office Action rejection of Claims 34-53 under the same rationale as set forth in Claims 1-20 is without merit.

The Office Action contends that Claims 59-78 contain limitations similar to limitations of Claims 1-20 and proceeds to reject Claims 59-78 under the same rationale as set forth in Claims 1-20. Claims 1-20 either directly or indirectly are dependent of independent Claims 1 and 8, and include all of the limitations of Claims 1 and 8 from which they depend, and more. For at least the reasons stated above with respect to independent Claims 1 and 8, Arms fails to disclose the respective limitations of Claims 1-20 and accordingly Claims 1-20 are not anticipated by Arms. Applicants respectfully submit that because Claims 1-20 are not anticipated by Arms, the Office

Action rejection of Claims 59-78 under the same rationale as set forth in Claims 1-20 is without merit.

Because Claims 1-20, 26-31, 34-53 and 59-78 are not anticipated by Arms, Applicants respectfully request reconsideration and withdrawal of the rejection, and allowance of Claims 1-20, 26-31, 34-53 and 59-78.

CONCLUSION

Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicants' attorney at 408-278-4051 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Reservation of Rights

In the interest of clarity and brevity, Applicant may not have addressed every assertion made in the Office Action. Applicant's silence regarding any such assertion does not constitute any admission or acquiescence. Applicant reserves all rights not exercised in connection with this response, such as the right to challenge or rebut any tacit or explicit characterization of any reference or of any of the present claims, the right to challenge or rebut any asserted factual or legal basis of any of the rejections, the right to swear behind any cited reference such as provided under 37 C.F.R. § 1.131 or otherwise, or the right to assert co-ownership of any cited reference. Applicant does not admit that any of the cited references or any other references of record are relevant to the present claims, or that they constitute prior art. To the extent that any rejection or assertion is based upon the Examiner's personal knowledge, rather than any objective evidence of record as manifested by a cited prior art reference, Applicant timely objects to such reliance on Official Notice, and reserves all rights to request that the Examiner provide a reference or affidavit in support of such assertion, as required by MPEP § 2144.03. Applicant reserves all rights to pursue any cancelled claims in a subsequent patent application claiming the benefit of priority of the present patent application, and to request rejoinder of any withdrawn claim, as required by MPEP § 821.04.

Respectfully submitted,

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CERTIFICATE UNDER 37 CFR § 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: MS Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on this 17th, day of May 2007.

Name: Dawn R. Shaw Signature: Dawn R. Shaw